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**TRANSMITTAL LETTER**

**SUPPLEMENTAL INFORMATION DISCLOSURE STATEMENT**

Applicant : Wade Brown  
App. No : 10/764,012  
Filed : January 23, 2004  
For : FILLED POLYMER COMPOSITE AND  
SYNTHETIC BUILDING MATERIAL  
COMPOSITIONS  
Examiner : Alicia Chevalier  
Art Unit : 1772

**Mail Stop Amendment**

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Dear Sir:

Enclosed for filing in the above-identified application are:

- (X) A Supplemental Information Disclosure Statement and PTO/SB/08 equivalent listing references for consideration:
  - (X) Listing 13 references.
  - (X) Enclosing 13 references.
- (X) A check in the amount of \$180 to cover the above fee is enclosed.
- (X) Return prepaid postcard.

The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment, to Account No. 11-1410.

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For : FILLED POLYMER COMPOSITE  
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MATERIAL COMPOSITIONS  
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Mail Stop Amendment  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

Pursuant to 37 CFR 1.56 and the provisions of MPEP 2001.06(c), the Applicant brings to the attention of the Examiner information known to the Applicant or information arising from an arbitration proceeding which may relate to the subject matter of the present patent application. By filing this paper, the Applicant is making a good faith attempt to provide the U.S. Patent and Trademark Office with sufficient information to clearly inform the Examiner of the nature and substance of such information known so that the Examiner can evaluate it as well as the need for additional information or material.

Outlined below is a general description of various allegations made by a licensee refusing to make royalty payments to a licensor (assignee of Applicant) pursuant to a certain license agreement. The licensee initiated an arbitration proceeding against the licensor in an attempt to avoid royalty payments. Some of the allegations raised by the licensee relate to the subject matter of the present patent application. Please note that this information is only submitted out of an abundance of caution and nothing contained herein constitutes an admission that any of the allegations raised by the licensee are true. The licensor and Applicant vigorously defended against these allegations. Because the parties eventually settled the dispute, these allegations were never resolved by the Arbitrator or a court.

Specifically, the arbitration proceeding is captioned:

***Century Products, LLC, Claimant/Counter-Respondent vs. Century-Board USA, LLC, Ecomat Nevada, Inc., and Wade Brown, Respondents/Counter-Claimants (In JAMS of Orange County, California (Before Arbitrator Hon. Stephen E. Habersfeld (Ret.))***

The arbitration involved Century Products, LLC ("Century Products") a non-exclusive licensee of technology owned by Century-Board USA, LLC ("Century Board"). Century Board is the exclusive licensee of certain polymer composite technology owned by Ecomat Nevada, Inc. ("Ecomat") and the owner of certain forming process technology. Wade Brown is the substantial majority shareholder of both Century Board and Ecomat. Century Board granted a royalty-bearing, non-exclusive license to Century Products. Century Products instituted an arbitration proceeding against Century Board, Ecomat and Mr. Brown attempting to avoid royalty payments contracted to under the license agreement.

In connection with the arbitration proceeding, some witnesses were deposed. In accordance with MPEP 2001.06(c), Applicant herewith submits the deposition transcripts, which may relate to the subject matter of the present application, as Appendices A-M. Some of the depositions also include attached exhibits which were discussed during the deposition and may relate to the subject matter of the present application. Please note that portions of the transcripts containing unrelated material have been redacted. Also note that portions of these attached transcripts have been redacted to protect trade secrets and/or confidential information of Century Board or Century Products. However, if the Examiner believes that it is necessary to evaluate the materiality of the redacted information, Applicant requests that the Examiner contact Applicant's representative about the submission of the trade secret and/or confidential information.

In the course of the proceedings, Century Products alleged that the pending claims of the present application, *at the time of the arbitration*, were invalid under 35 U.S.C. § 102/103 based on prior printed publications. Please note that the claims have since been amended. In complying with MPEP 2001.06(c), Applicant is further disclosing the specific allegations as discussed in the depositions of several expert witnesses retained by Century Products during the course of the arbitration proceeding.

In support of this allegation, Century Products retained Thomas E. Jurgensen and Daniel Klempner, Ph.D as expert witnesses. Mr. Jurgensen and Dr. Klempner asserted that the claims of U.S. Patent Application No. 10/764,012 were unpatentable over certain prior art references. A

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summary of Mr. Jurgensen's opinions may be found as Exhibit 1 to Appendix A. A summary of Dr. Klempner's opinions may be found in Appendix C. Century Board and Applicant disagreed with these contentions during the arbitration proceeding. While Applicant believes that Century Products' assertions were incorrect, Applicant has disclosed all of the published prior art referenced by Century Products, Mr. Jurgensen and Dr. Klempner in prior Information Disclosure Statements for consideration by the Examiner. Thus, Applicant believes that he has fulfilled the duty of candor in compliance with 37 C.F.R. 1.56.

Century Products and Mr. Jurgensen further alleged that the pending claims of present application are unpatentable due to prior sales. As you know, 35 U.S.C. § 102(b) states, "A person shall be entitled to a patent unless the invention was...*in public use* or *on sale* in this country, *more than one year prior to the date of the application* for patent in the United States" (*emphasis added*). In compliance with the duty of candor, Applicant herein discloses that he sold and publicly used synthetic polyurethane lumber on an experimental basis beginning in August of 1998.

The prior experimental sales are listed in the following table:

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**Prior Experimental Sales of Synthetic Polyurethane Lumber**

Date of Sale	Customer	Experimental Use of Board	Composite Material	% Ash Filler Content	Method of Forming Product
August 20, 1998	Page Lumber	Mailbox Posts	Polyurethane formed by Two polyols, isocyanate, ash filler	50 and 58	Box Mold
August 20, 1998	Central Hudson	Bench Slats	Polyurethane formed by two polyols, isocyanate, ash filler	36	Box Mold
July 13, 1999	Moyer (City of New York)	Park Bench	Polyurethane formed by two polyols, isocyanate, ash filler	25	Box Mold
July 20, 1999	Scenic Technology	Structural	Polyurethane formed by two polyols, isocyanate, ash filler	53	Box Mold
July 20, 1999	Play Mart	Play Ground Equipment	Polyurethane formed by two polyols, isocyanate, ash filler	58	Box Mold
August 2, 1999	Scenic Technology	Shock Absorbing Structure	Polyurethane formed by two polyols, isocyanate, ash filler	53	Box Mold
November 4, 1999	Lindelaw Lumber	Bench Slats	Polyurethane formed by two polyols, isocyanate, ash filler	51	Box Mold
December 7, 1999	Louisiana Pacific	Experimental Lumber	Polyurethane formed by two polyols, isocyanate, ash filler	52	Box Mold
January 13, 2000	Palletco	Pallet Sections	Polyurethane formed by two polyols, isocyanate, ash filler	24	Box Mold
February 29, 2000	Scenic Technology	Boardwalk	Polyurethane formed by two polyols, isocyanate, ash filler	57	Box Mold
March 8, 2000	Scenic Technology	General	Polyurethane formed by two polyols, isocyanate, ash filler	56	Box Mold
Unknown	Met-Co-Aire	Utility Poles	Polyurethane formed by two polyols, isocyanate, ash filler	<60	Box Mold
Unknown	E.C. Wise	Shipping Container Strips	Polyurethane formed by two polyols, isocyanate, ash filler	<55	Box Mold

The boards that were publicly used and sold on an experimental basis were built using technology and formulas related to, but different from, the invention disclosed in the above-referenced application. For example, the boards which were sold and in public use all contained less than 60% filler content by weight. Applicant's present claims are directed only to composites comprising a filler content of between about 60% to about 85% inorganic filler material. Therefore, Applicant does not believe that the inventions as presently claimed in U.S. Patent Application No. 10/764,012 have been sold or been in public use prior to the critical date of the Application

Moreover, Applicant's claimed inventions disclosed in U.S. Patent No. 10/764,012. represent a nonobvious step over the lumber that was the subject of the experimental sales and use. As is stated in the specification of the present patent application at page 12, lines 11-12, "[i]ncreasing the proportion of inorganic particulate can lead to increased difficulty in mixing." Applicant has unexpectedly discovered that greater than 60% inorganic particulate material may be included in polyurethane composite materials by employing the methods disclosed in the

application. In addition, such polyurethane composite materials are made at lower costs due to the replacement of the cost prohibitive polyurethane matrix with relatively cheap, inorganic particulate material. In addition, at the time of filing the application, polyurethane composite materials with high filler content were not believed to possess the physical properties necessary for load bearing applications. Applicant found that polyurethane composite materials with between about 60 to about 85 weight percent inorganic filler unexpectedly possessed good physical properties, including flexural strength and flexural modulus, which rendered the composite material capable of being used in load bearing applications, such as in building materials. As such, the presently pending claims of the present application represent a novel and nonobvious step over the lumber that was subject of the prior experimental sales and use.

To be sure, the Applicant does not deny making experimental boards containing about 60 ash filler content. However, such boards were not publicly known to others, sold or placed into public use, and thus do not qualify as prior art under 35 U.S.C. § 102.

It is important to note that courts have carved out a clear exception to the “on sale” and “public use” statutory bars under 35 U.S.C. § 102(b). Activity that can be classified as an “experimental use” of the invention will not bar patentability under Section 102(b). *City of Elizabeth v Am. Nicholson Pavement Co.* 97 U.S. 126 (1877); see also *Pfaff v. Wells Elec. Inc.*, 525 U.S. 55, 61 (1998).

While only some of the Applicant’s boards were sold or in public use, the primary purpose of these activities was to test the newly developed boards’ durability and fitness for their intended use. At the time of this activity, Applicant was interested in testing his products to determine if their formulation could withstand everyday use and various weather conditions. Additionally, Applicant continually changed the formulation of two polyols, isocyanate, and ash filler to develop better and different polyurethane composite building materials which were fit for their intended use. It will be noted that, in most cases, only a single experimental sale was made to one entity, and the intended use of that sale varied. Applicant was trying to determine the product’s strength and durability under various conditions.

For example, in July of 1999, Applicant sold approximately 500 boards to a company who installed the boards in park benches located in New York City. These boards contained approximately 25% filler by weight. As part of the contract, it was agreed that the boards would be accepted on an experimental basis. It was discussed between the parties that Applicant was

still in the process of developing the composite formulation. It was understood that the boards would be inspected regularly and Applicant would be required to make any necessary repairs or replacements.

According to the contract, the boards were inspected regularly. A short time after the installation, Applicant was informed that some of the boards incorporated into the park benches were damaged and needed to be replaced. Applicant replaced several dozen boards at no charge. The damaged boards were taken back to Applicant's facilities for inspection and analysis. Similarly, Applicant performed maintenance on some of the boards that had been installed in these park benches.

At about the same time, Applicant approached the City of New York with a proposal to install approximately 30 boards into the boardwalk at Coney Island to replace some worn out pieces of lumber. Applicant sought to test its boards' durability under heavy human traffic and various weather conditions. The City of New York agreed and Applicant installed the boards at no charge. City officials and Applicant inspected the installed boards on several occasions. Eventually, Applicant replaced all of the boards at no charge. The boards were used for approximately one year, during which time Applicant regularly inspected the installed boards, before the entire boardwalk was replaced by the City.

While more than one sale was made by the Applicant, each sale was intended to be an experimental sale to test the quality of the Applicant's synthetic lumber and the commercial nature of each sale was incidental to the experimentation. As a result of the public tests and other research conducted by Applicant, the polymer composite formulation and the method of manufacture were improved. Applicant was able to develop a more durable composite mixture.

In summary, Applicant believes that the pending claims of the present application are novel and non-obvious over the boards that were subject to this experimental activity. Hence, the invention, as described in the claims of the present application, could not have been on sale or in public use prior to the critical date. Even if the claims covered the experimental boards, the activity would constitute an experimental use, a clear exception to the 35 U.S.C. § 102(b) statutory bar to patentability. The primary purpose of these activities was to facilitate a real-world application to test the durability and fitness of the boards for their intended use. The experimental nature of these transactions was known to the parties involved. Further, Applicant monitored, tested, analyzed and repaired the products with the intent to improve and perfect the

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composite composition and manufacturing method. These changes are embodied in the invention that is now being claimed in the present patent application.

Further submitted in this Supplemental Disclosure Statement as Appendices D-M are the depositions of John Robert Taylor, Fyodor Shutov, Ph.D, Applicant Wade Brown, Theodore Butteriss, and Zachary Taylor. The information contained in these depositions may also relate to the present patent application. By submission of these depositions, Applicant believes that he has made a good faith effort to comply with the duty of candor under 37 C.F.R. § 1.56. Nevertheless, if the Examiner believes that clarification of the information contained in these depositions is required, Applicant is willing to submit additional Information Disclosure Statements in response to the Examiner's inquiry.

It is important to note that the allegations raised by Century Products during the arbitration proceedings were never resolved. The parties settled the matter and entered into an amended license agreement.

This Supplemental Information Disclosure Statement is being filed under 37 C.F.R. § 1.97(c)(2) before the mailing date of a final action and before the mailing of a Notice of Allowance. This Statement is accompanied by the fees set forth in 37 C.F.R. § 1.17(p). The Commissioner is hereby authorized to charge any additional fees which may be required or to credit any overpayment to Account No. 11-1410.

Dated: \_\_\_\_\_

4/19/07

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

By: \_\_\_\_\_

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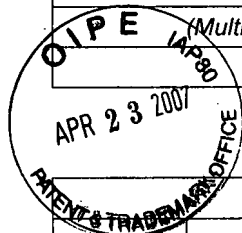
# SUPPLEMENTAL INFORMATION DISCLOSURE

## STATEMENT BY APPLICANT

(Multiple sheets used when necessary)

SHEET 1 OF 1

Application No.	10/764,012
Filing Date	January 23, 2004
First Named Inventor	Wade Brown
Art Unit	1772
Examiner	Alicia Chevalier
Attorney Docket No.	CBOARD.001A



### NON PATENT LITERATURE DOCUMENTS

Examiner Initials	Cite No.	Include name of the author (in CAPITAL LETTERS), title of the article (when appropriate), title of the item (book, magazine, journal, serial, symposium, catalog, etc.), date, page(s), volume-issue number(s), publisher, city and/or country where published.	T <sup>1</sup>
	A	Deposition of Thomas E. Jurgensen, pp. 1-407 (01-09-06) – Redacted	
	B	Deposition of Daniel Klempner, pp. 1-120 (01-06-06) – Redacted	
	C	Summary of Opinions, Daniel Klempner, pp. 1-11 (01-04-06)	
	D	Deposition of John R Taylor, pp. 1-388 (12-07-05) – Redacted	
	E	Deposition of Fyodor Shutov Vol. 1, pp. 1-312 (12-15-05) – Redacted	
	F	Deposition of Fyodor Shutov Vol. 2, pp. 1-182 (12-28-05) – Redacted	
	G	Deposition of Wade Brown Vol. 1, pp. 1-212 (11-17-05) – Redacted	
	H	Deposition of Wade Brown Vol. 2, pp. 1-256 (11-18-05) – Redacted	
	I	Deposition of Wade Brown Vol. 3, pp. 1-302 (11-21-05) – Redacted	
	J	Deposition of Edward J. Butteriss Volume 1, pp. 1-501 (12-16-2005)	
	K	Deposition of Edward J. Butteriss Volume 2, pp. 1-195 (12-28-2005)	
	L	Deposition of Zachary R. Taylor Volume 1, pp. 1-221 (12-29-2005) – Redacted	
	M	Deposition of Zachary R. Taylor Volume 2, pp. 1-285 (01-05-2006) - Redacted	

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Examiner Signature

Date Considered

\*Examiner: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

T<sup>1</sup> Place a check mark in this area when an English language Translation is attached.